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Report to Congressional Committees

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# ACQUISITION MANAGEMENT

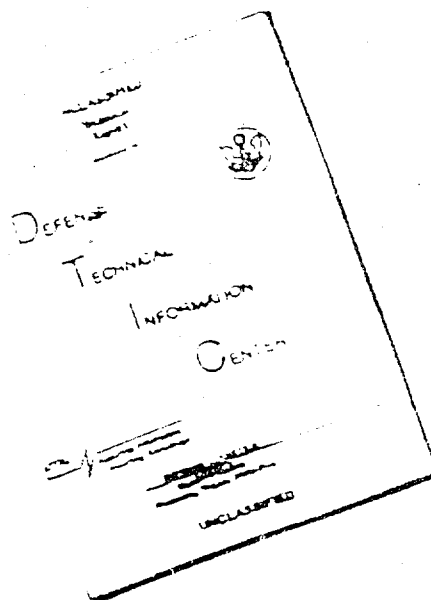
## Implementation of the Defense Acquisition Workforce Improvement Act



93-09373



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National Security and  
International Affairs Division

B-247174

April 26, 1993

The Honorable Ronald V. Dellums  
Chairman, Committee on Armed Services  
House of RepresentativesThe Honorable Sam Nunn  
Chairman, Committee on Armed Services  
United States SenateDTIC  
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In response to continuing concerns about the Department of Defense's (DOD) ability to effectively manage its acquisition programs, Congress enacted the Defense Acquisition Workforce Improvement Act on November 5, 1990. The act requires the Secretary of Defense to establish an acquisition work force with specific experience, education, and training qualifications. Specific provisions of the act require the Secretary of Defense to (1) establish a management structure and policies and regulations for implementing the act's provisions, (2) establish qualification requirements, (3) provide training and education to meet these requirements, and (4) enhance civilian opportunities to progress to senior acquisition positions.

The act requires that we determine whether DOD has effectively implemented the act and make any recommendations appropriate to meet the act's objectives. This report evaluates DOD's implementation efforts through January 1993. The act also permits DOD officials to waive specific qualification requirements pertaining to program managers and other acquisition personnel. The act requires us to report annually on DOD's compliance with those waiver provisions.<sup>1</sup>

We have also recently issued another report that discusses the acquisition work force as well as many other acquisition issues.<sup>2</sup> That report looks at the acquisition process from a historical perspective and offers some suggestions for change.

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## Results in Brief

DOD has established an acquisition work force management structure and issued implementing policies and regulations as required by the act. It is too early to assess the overall effectiveness of the management structure;

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<sup>1</sup>Acquisition Management: Waivers to Acquisition Work Force Training, Education, and Experience Requirements (GAO/NSIAD-93-128, Mar. 1993)

<sup>2</sup>Weapons Acquisition: A Rare Opportunity for Lasting Change (GAO/NSIAD-93-15, Dec. 1992).

however, DOD has experienced some delays and difficulties in implementing some of the act's provisions. Although some start-up problems are to be expected, some of these may have been avoided if a management structure that was consistent among the services and invested with the necessary authority in key positions had been established. (See app. I for details.)

DOD has identified and designated over 127,000<sup>3</sup> acquisition work force positions. However, the process of determining the specific qualifications of each member of the work force is proving time-consuming. Delays in completing this process may lengthen the time individuals take to meet training, education, and experience requirements. Also, DOD is experiencing difficulties in developing the required management information system. (App. II discusses these issues in further detail.)

DOD has established a Defense Acquisition University, a consortium of 16 existing Army, Navy, Air Force, and DOD schools. Although the curriculum and allocation of classroom slots and training funds are to be centrally managed by the university, it is too early to determine the effectiveness of this consortium arrangement. However, there are already concerns that a training backlog for certain mandatory courses will develop. (See app. III for a more detailed explanation.)

Major uncertainties and concerns exist within DOD regarding the intent and implementation of the act's requirement to select the best qualified individual for an acquisition position and ensure that no preference for military personnel is used in considering candidates. DOD administrative and legal concerns, as well as questions regarding the intent of the act, have resulted in actions that do not achieve the act's objectives. In addition, the Navy and Air Force have each developed proposals for meeting the act's requirements, but these proposals have not been staffed or implemented. Also, some in DOD have questioned the legality of the proposals. These proposals are limited to senior acquisition positions for major programs and other critical positions that are predominantly held by military personnel. We believe these proposals are feasible and more consistent with the act's objectives and requirements. (See app. IV for details.)

Uncertainties also exist within DOD regarding the intent of the act's requirement to "substantially" increase the proportion of civilians in

<sup>3</sup>In the Annual Report to the President and the Congress, issued January 19, 1993, DOD reported that it had identified approximately 130,000 acquisition positions. However, specific details on that number were not available.

critical acquisition positions. Positions designated for military personnel only are based on somewhat subjective determinations that have been unevenly applied by the services. Citing the Air Force's high proportion of military acquisition personnel, both Army and Navy officials have concluded that this requirement applies primarily to the Air Force. As a result, the two services are not planning to make substantial changes in the current proportions of military and civilian personnel. (App. V has a more detailed explanation of this issue.)

## Matters for Congressional Consideration

Congress should consider whether the Defense Acquisition Workforce Improvement Act's prohibition on preferences for military personnel for acquisition positions should, at least in the interim, be limited to senior acquisition positions for major programs, as well as other critical positions that have been predominantly held by military personnel. Since those positions account for a large share of those that have been limited to military personnel, such a limitation would appear to be consistent with the objectives of the act. Also, such a limitation would significantly reduce administrative difficulties cited by DOD and would be consistent with the Navy and Air Force proposals.

Congress should also consider clarifying (1) the act's requirement to substantially increase the proportion of civilians in critical acquisition positions and (2) whether this requirement applies to each service individually or to DOD as a whole.

## Recommendations

We recommend that the Secretary of Defense take the following actions:

- Ensure that the services are consistent in providing sufficient authority to the management positions required by the act to effectively and efficiently carry out the provisions of the act.
- Assess Navy, Air Force, and any other proposals for selecting the best qualified individual for an acquisition position to ensure that service procedures satisfy the Defense Acquisition Workforce Improvement Act and any other laws and policies.

## Agency Comments

In commenting on a draft of this report, DOD generally agreed with our findings and recommendations. However, DOD stated that the Defense Acquisition Workforce Improvement Act does not require military and civilian personnel to compete for acquisition positions. While we do not

believe that the act requires competition for each and every position, we believe it intends that acquisition positions be open to both military and civilian personnel on an equal basis. Appendix VI contains DOD's written response and our evaluation.

## Scope and Methodology

We obtained information on the management structure, policy, and regulatory framework for implementing the Defense Acquisition Workforce Improvement Act from officials in the Office of the Director of Acquisition Education, Training, and Career Development Policy. Information on the implementation of the act was obtained from the director of the acquisition career management office for each service and DOD agency as well as from other officials in these offices. We also interviewed officials in the Office of the Assistant Secretary of Defense (Force Management and Personnel) to obtain their views on certain provisions of the act, and officials at selected commands within each of the military services to obtain information on how the act is being implemented at lower levels.

We conducted our review between February 1992 and January 1993 in accordance with generally accepted government auditing standards.

We are sending copies of this report to the Secretary of Defense. We will make copies available to others on request.

Please contact me at (202) 512-4587 if you or your staff have any questions concerning this report. Other major contributors to this report are listed in appendix VII.



Paul F. Math  
Director, Acquisition Policy,  
Technology, and Competitiveness Issues



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## Abbreviations

DACM	Director of Acquisition Career Management
DAWIA	Defense Acquisition Workforce Improvement Act
DOD	Department of Defense
DPM	Deputy Program Manager
FM&P	Force Management and Personnel
GAO	General Accounting Office
OSD	Office of the Secretary of Defense
PM	Program Manager

# Provisions Establishing Acquisition Work Force Management Structure and Policy

The Defense Acquisition Workforce Improvement Act (DAWIA) requires the Secretary of Defense to establish a management structure within his office and the military services for implementing the act's numerous provisions. The act also requires the Secretary of Defense to establish policies and regulations to effectively manage the acquisition work force. These policies and regulations are to cover hiring, education, training, and career development and ensure that the act, to the maximum extent practicable, is implemented consistently among Department of Defense (DOD) components. While it is too early to assess the overall effectiveness of the management structures in place, we have some concerns regarding the level of authority invested in key positions and the inconsistencies among the services in implementing the management structure.

## Management Structure Established, but Inconsistencies Exist

DOD has established an acquisition work force management structure as required by the act. The Under Secretary of Defense for Acquisition has appointed a Director of Acquisition Education, Training, and Career Development and provided him four permanent and two temporary staff to assist in performing duties assigned to the Under Secretary under the act. The Director is the focal point within DOD for (1) implementing certain provisions of the act, (2) providing guidance and coordination on acquisition work force issues to the services and defense agencies, and (3) preparing an annual report on the status of the defense acquisition work force. The report for fiscal year 1992 was released January 19, 1993. The Director stated that he has the authority, staff, and top management support needed to fulfill his responsibilities, but stressed that continued top management support is essential to fully and effectively fulfill his responsibilities.

Each military service has established the position of Director of Acquisition Career Management (DACM) to serve as the focal point for implementing the act's provisions. The basic functions of the DACMs and their staffs include identifying all acquisition-related positions, establishing an acquisition corps, and issuing guidance to further explain the policies and procedures needed to implement DAWIA. However, the staffing of the DACM position varies significantly among the military services.

- The Navy appointed a civilian in the Senior Executive Service as its full-time DACM in November 1991 and provided him with a staff of 10 employees.

- The Air Force has not yet appointed a DACM but did appoint a civilian at the GM-15 level in January 1991 to serve as a full-time acting director. He has a staff of nine employees.
- The Army assigned DACM responsibilities to the Military Deputy to the Assistant Secretary of the Army for Research, Development, and Acquisition—a three-star general. A colonel serves as a full-time Deputy DACM with a support staff of 11 employees. According to the Army Deputy DACM, the Army assigned a three-star general as the DACM because it believes this level of authority is needed to ensure the act's implementation. The current DACM—the third person to serve in the position since it was initially filled in August 1991—was appointed in September 1992. The Deputy DACM has been in that position since it was created and often represents the Army DACM.

The act requires that the Director of Acquisition Education, Training, and Career Development also serve as the DACM for the Office of the Secretary of Defense (OSD) and DOD agencies, but due to his work load, he delegated his DACM responsibilities to one of his senior-level staff.

Although it is too early to assess the effectiveness of the management structure, the inconsistencies among the services in the establishment of the offices of the DACMs raise a number of questions regarding the level of authority required for the position. For example, the services have to varying degrees, experienced some difficulties in implementing the act's provisions. Some of these difficulties, which are discussed in appendixes II and III, stem from the central management role the DACMs play in obtaining information required from the acquisition commands and the difficulties of coordinating and resolving differences among commands within the services.

Although the extent to which such problems could have been more effectively or expeditiously resolved is speculative, they do raise questions regarding the impact of the Air Force's reliance for the past 2 years on an acting DACM at the GM-15 level. According to this DACM, he is routinely required to deal directly with general officers and members of the Senior Executive Service at headquarters and various commands in coordinating positions, seeking information, and ensuring consistency across commands and acquisition functional areas.

## Required Implementing Policies and Regulations Have Been Issued

The Secretary of Defense, generally within the statutorily specified time frames, has issued a series of implementing policies and regulations. These policies and regulations address all aspects of the act and establish overall DoD policy on (1) identification of the work force, development of the acquisition corps, and establishment of critical positions; (2) the effective management of the acquisition work force; (3) the mandatory and desired education, training, and experience standards for each acquisition position; (4) the establishment of a management information system capable of providing standardized data on acquisition positions and those persons filling them; and (5) the establishment of a Defense Acquisition University. Our review of these policies and regulations found that they are consistent with the provisions of the act.

Each military service has issued internal guidance on various provisions of the act. For example, the Army and the Navy have issued instructions on how to identify acquisition positions, and the Air Force issued guidance on certification procedures for acquisition personnel. Additionally, the military services and OSD have used internal policy guidance, local command briefings, periodic newsletters, and brochures to educate and disseminate information to the work force.

The military services and DoD agencies plan to publish additional implementing regulations, which currently are in various stages of completion.

# Provisions Establishing the Acquisition Work Force

To establish an acquisition work force, the act requires the Secretary of Defense to determine which positions are acquisition-related. The act also requires the Secretary to

- specify critical acquisition positions—those senior positions which carry significant supervisory or management responsibility and which are generally filled by civilians in grades GS-14 or above or military personnel in grades O-5 and above;
- establish an acquisition corps of highly qualified military and civilian acquisition specialists; and
- establish a management information system to monitor various personnel actions, such as training, education, and experience of the acquisition work force, and supply data for an annual report to Congress.

Although not explicitly required by the act, the Secretary of Defense instructed each of the military services and DoD agencies to identify the persons serving in acquisition positions.

While the services are moving forward in identifying positions and establishing an acquisition corps, the process to identify each person's qualification requirements is proving time-consuming. Efforts to create and validate a management information system are underway. However, according to service and DoD officials, this is a difficult and lengthy process.

## Identification of the Acquisition Work Force Is Essentially Complete

DoD has essentially completed its initial effort to identify the acquisition work force. Each military service and DoD agency has identified most of its acquisition-related positions, including those considered critical. As of January 1, 1993, the military services and DoD agencies had identified over 127,000 acquisition positions, of which about 17,600 were identified as critical. (See app. V.) According to service officials, there will be a continuous process of reviewing positions to determine whether they should remain in the acquisition work force.

Once all the positions have been identified, the individuals filling those positions must be identified and their qualifications reviewed. As of January 1, 1993, the military services and DoD agencies had identified the majority of the incumbents in the acquisition work force and had begun identifying their training, education, and experience levels and requirements.

DOD officials said this process is time-consuming and is making it difficult to meet other provisions and objectives of the act. For example, planning and arranging for acquisition training and education courses are difficult when the requirements are uncertain. In addition, difficulties in identifying and obtaining the training and education required by the act may lengthen the time it takes some individuals to meet certain work force qualification requirements.

## **Acquisition Corps Is Being Established**

The military services and DOD agencies are working to establish an acquisition corps by October 1993, as required by the act. Each acquisition corps will be a group of selected senior civilian employees (GS-13 and above) and military personnel (O-4 and above) from the acquisition work force. Membership in an acquisition corps is important because, after October 1, 1993, it will be a prerequisite for future appointments to critical acquisition positions.

The Army established its acquisition corps in October 1989 prior to the enactment of DAWIA. The Army modified its corps eligibility requirements to ensure compliance with DAWIA by extending its membership to civilian employees and military personnel who meet the DAWIA requirements. Civilian employees currently filling critical acquisition positions can decline corps membership and remain in their position, but they will not be eligible for any other critical position without a waiver of the membership requirement. Corps membership gives the employee priority in attending required acquisition-related training courses. Also, as required by the act, prospective Army corps members are required to sign mobility agreements—agreements to relocate as necessary to fill acquisition corps positions—as a condition of corps membership. As of December 30, 1992, 1,483 military personnel and 1,780 civilians were in the Army's acquisition corps.

The Air Force approved a plan establishing its acquisition corps requirements on October 15, 1992. Similar to the Army, incumbents assigned to critical acquisition positions prior to October 1, 1992, can remain in their position. However, if someone assigned to a critical position from October 1, 1992, to October 1, 1993, declines membership in the corps, that individual will not be allowed to remain in the position without an approved waiver. The Air Force DACM told us that he expects all of these people to accept membership in the corps.

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The Navy has issued interim policies and procedures for developing its corps and has begun identifying eligible personnel and soliciting membership for its corps. OSD is developing guidance for establishing an acquisition corps for DOD agencies. Military service and OSD officials state that they are optimistic that the acquisition corps provision of DAWIA will be fully implemented by October 1, 1993.

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### Some Difficulties Exist in Establishing the Management Information System

DOD has experienced some difficulties in developing the management information system required by the act. According to DOD officials, the size of the work force and the amount of information required on each employee make this a difficult and lengthy process.

DOD officials stated that they have demonstrated that the management information system can function effectively. A test run of the system in July 1992 indicated that it would function properly. Even though this test was successful, it used only a limited number of data elements. Some questions remain as to whether the system will function properly when all the data have been entered. Not all of the required personnel data have been submitted by the military services and DOD agencies. Some of the data are not automated and must be gathered manually, which is time-consuming. In addition, the data must then be validated and entered into the system.

The management information system was intended to collect and present data for use in preparing the annual report, which is required by the act for fiscal years 1991 to 1998. According to DOD officials, the management information system was not used to prepare the annual report submitted on January 19, 1993. Instead, component records were used to provide the data for the report. Nevertheless, once all data are available, validated, and entered into the system, the management information system should be a useful tool in managing the work force and producing the annual report. Military service and DOD agency officials estimate that the system will be substantially completed during fiscal year 1994.

# Provisions for Providing Training and Education

The act established education, training, and experience requirements for specific acquisition positions, and it requires the Secretary of Defense to develop requirements for positions not explicitly covered by the act. The act provides staggered deadlines for meeting these requirements, the latest being October 1, 1993. The act also requires the establishment of specific education and training programs to help employees meet the qualification requirements. Primary among them is a Defense Acquisition University, through which all mandatory training courses are to be centrally managed. The other programs are scholarship, tuition assistance, internship, cooperative education, and student loan repayment programs. The act required the Secretary of Defense to have the university established by August 1, 1992, but it gave no specific deadlines for the other programs.

The Defense Acquisition University has been established, and most of the other programs have been initiated; however, all personnel training needs have not been identified. There is some concern that training backlogs for some mandatory training courses may develop.

## Training and Education Needs Are Not Yet Fully Determined

DOD has established qualification standards and has created a Defense Acquisition University to provide much of the needed education and training. However, the exact nature and extent of training and education that need to be provided have not yet been determined. This determination cannot be made until an inventory of education and training already possessed by acquisition work force members is complete and documented in the management information system.

DOD has established training and education requirements for various acquisition-related areas identified in the act. For example, DOD Directive 5000.52M establishes specific standards for contracting officers, program managers, and other positions. To ensure that employees meet those standards, DOD also established a process through which employees can be certified at level I, level II, or level III. To attain a certification, employees must meet certain education, training, and experience requirements at each level. The levels generally reflect where employees are in the organizational hierarchy. For instance, level I is generally aimed at those filling GS-05 to GS-08 positions (and their military equivalents), while level III is geared for employees at the GS-13 level and above. The Under Secretary of Defense for Acquisition delegated responsibility for granting these certifications to the individual military services and DOD agencies. DOD and service officials said employees do not need to be certified for the



positions they now hold, but failure to become certified could make them less competitive for promotion or reassignment.

DOD plans to use the certification requirements as a quality ranking factor in selecting individuals for acquisition positions. If an organization selects someone who fails to meet the requirements, it has a certain period in which to ensure that the individual attains certification or to waive the requirements.

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## **Defense Acquisition University Established**

The Defense Acquisition University, a consortium of 16 existing Army, Navy, Air Force, and DOD schools, was officially in place August 1, 1992. Through this consortium, the schools remain separate and distinct institutions, but the mandatory courses are managed centrally through the university. A small executive staff oversees these central operations, which include setting curriculum standards, registering students for courses, and allocating training funds and classroom slots to the military services and DOD agencies.

There are concerns among DOD officials that a training backlog will develop within the consortium for certain required acquisition courses. Some service officials expressed doubt that the university will be able to accommodate the large number of people who are expected to need specific courses. For example, DOD officials state that there is a large backlog for the 20-week program management course, which is offered only twice a year and only at one location—the Defense Systems Management College at Fort Belvoir, Virginia. The act does allow this program management course requirement to be satisfied by comparable courses, and DOD has approved one such course at the Naval Post Graduate School.

Also, additional instructors are being certified so that courses can be taught in-house, and courses are being taught through satellite video link-ups from the schools to several locations. The extent of the training backlog cannot be determined until the services know the extent of training that will be required. Such backlogs may delay acquisition personnel from meeting their position qualification requirements, if the personnel are not given waivers for the courses.

It is too early to assess the Defense Acquisition University consortium arrangement. However, individual service support functions are currently the subject of a Defense Management Review initiative to consolidate such

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functions. The initiative is designed to minimize overlap and duplication among the services.

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## Other Training and Education Programs

Most of the other training and education programs required under the act are under way as well. The scholarship program, which provides financial aid to students in return for their commitment to work in the DoD acquisition field upon graduation, started in the 1992-93 academic year. Funds for tuition assistance to help employees obtain additional education have also been set aside. Internship and cooperative education programs already existed within the individual services and DoD agencies. The only item still pending is the student loan repayment program, which has not been addressed. DoD officials note that they are awaiting regulatory guidance from the Office of Personnel Management and Office of Management and Budget before proceeding with the program.

# Provisions to Enhance Civilian Opportunities

The current process for filling acquisition positions does not achieve the act's objectives to select the best qualified individual for an acquisition position and ensure that no preference for military personnel is used in considering candidates. Navy and Air Force acquisition officials have developed proposals to comply with the intent of the act, but non concerns regarding the implications and legality of these proposals stopped further pursuit of implementation. We believe the Navy and Air Force proposals are feasible and are more consistent with the requirements and objectives of the act.

## Current Selection Process Does Not Achieve Objectives

DAWIA requires the Secretary of Defense to ensure that no requirement or preference for a member of the armed forces is used in considering candidates for acquisition positions. The act also requires that policies be established to provide for the selection of the best qualified individual for a position, consistent with other applicable laws. Notwithstanding these requirements, the act requires the Secretary to establish a policy permitting particular acquisition positions to be specified as available only to members of the armed forces if a determination is made that military personnel are required by law, essential for the performance of the duties of the position, or necessary for other compelling reasons.

At issue are the services' plans to retain military-only position designations on almost all acquisition positions currently filled by military personnel. Although the act allows non to designate certain positions as available only for military personnel, the services are designating the overwhelming majority of positions currently filled by military personnel as military-only. According to service and osn personnel officials, such position designations preclude the consideration of civilians for those positions. We believe this practice inappropriately excludes qualified civilians from these positions.

Although the military designated positions account for only about 14 percent of the total acquisition work force of over 127,000 personnel, they account for a much larger percentage of the critical acquisition positions. For example, approximately 90 percent of the program manager positions for acquisition category 1 and 2 programs—the higher dollar-value weapons programs—are filled by military personnel. However, most of the deputy program manager positions are filled by civilians.

DOD personnel officials stated that they are exploring the use of DOD Directive 1100.9, entitled "Military-Civilian Staffing of Management Positions in the Support Activities," which allows for limited exceptions to the current policy for designating military positions. According to the directive, if no military person qualifies for a military designated position, then it can be filled by a civilian and vice versa. We do not believe that use of this procedure, even if applied liberally, constitutes compliance with the act's prohibition that no preference for a member of the armed forces be used in considering persons for acquisition positions. In our view DOD's designation of military-filled positions as military-only positions without review of those positions under the appropriate statutory criteria could constitute an abuse of its statutory authority to designate particular positions as military-only.

The House Committee on Armed Services, in its report accompanying the fiscal year 1993 defense authorization bill, stated that DOD's policy of military-only designations was in conflict with the DAWIA's mandate that the most qualified individual—either military or civilian—be selected for a given position. The Committee also stated that DOD had not made a case for changing the statutory requirement and that the Committee expected DOD to bring its policy in line with the statutory intent.

## Other DOD Concerns Regarding Implementation of the Act

DOD and service officials responsible for implementing the act cited a number of other concerns and also questioned the underlying intent of the act's provisions. These concerns and questions are summarized below.

(1) Opening up all acquisition positions to both military personnel and civilians may eventually lead to an all-civilian work force. DOD's current policy, in effect, states that any position where the requirements can be satisfied by a civilian should be designated as a civilian position. According to DOD officials, this policy is based on the fact that the cost of civilian positions is less than that of military positions. The officials strongly believe that the operational experience military personnel bring to an acquisition position is important. Concern was also expressed that civilians competing with military personnel for acquisition positions could set a precedent that could be applied on a much larger basis outside of acquisition.

(2) The administrative burden of opening up the 127,000-plus acquisition work force positions to both military personnel and civilians would be overwhelming. Military positions are managed and budgeted for separately

and much differently than civilian positions. For example, the Army must know years in advance how many positions will be filled by colonels, so that enough lieutenants can be recruited and trained to "grow" into the colonel roles. Therefore, planning, managing, and budgeting for military assignments and positions would be extremely difficult because the number of positions competed and won by military personnel would not be known in advance. Officials of two services stated that the administrative burden would be so great that their service may choose to eliminate the military positions altogether and make the whole acquisition work force civilian.

(3) The overall intent of the provisions is unclear. If the intent is to increase the number of civilians in senior acquisition positions, this could be accomplished without the administrative burden of military personnel and civilians competing for each of the 127,000-plus positions. If the intent is to encourage competition, adequate competition already exists among military personnel competing for military promotions and among civilians competing for civilian positions and/or promotions. If the intent is to eliminate military personnel from the acquisition work force, then the act should be more explicit. If there are concerns regarding the validity of or basis for designating acquisition positions as military-only, then the Secretary of Defense could direct that an independent review of the positions be done.

Officials from the Office of the Assistant Secretary of Defense (Force Management and Personnel (FM&P)) have taken the position that the act does not intend for or require that civilians be considered for positions designated for military personnel, or vice versa. It is their view that it is not permissible by law or feasible to consider both military and civilians for the same positions. They stated that all positions must be designated as either military or civilian using specific criteria based in law. Accordingly, if applying those criteria results in a military position designation, then by definition it can be filled only by military personnel. On the other hand, if a justification cannot be made for designating a position as military-only, then it should be designated as civilian. Therefore, they object to any notion or plan to consider qualifications of individuals—military and civilian—before designating a position as either military or civilian.

FM&P officials noted that although DOD Directive 5000.58 requires each military service secretary and DOD component head to annually submit a justification for reserving each military-only position, FM&P has not reviewed these justifications. Such a review may reveal that many of the

justifications are not supportable because they do not satisfy the statutory criteria for designating military-only positions and that therefore, the positions could be filled by civilians. FM&P officials also noted that the downsizing of the forces has brought increased scrutiny to the number of military personnel currently in support positions. In addition, one of the Defense Management Review initiatives calls for the "civilianization" of military positions in support functions.

Some service and DOD acquisition officials do not support the idea of an FM&P review of military position justifications. Service acquisition officials acknowledge that the justifications for these positions are somewhat subjective in nature. Therefore, an FM&P review, depending on how the criteria are applied or interpreted, could result in many, if not all, of the positions being reclassified as civilian.

DOD and service acquisition officials strongly believe that military operational experience is needed in the acquisition work force in general and that such experience is valuable in making program management decisions. However, it may be difficult to justify individual positions as military essential. For example, it may be difficult to justify a program manager position as military essential if the deputy program manager is or could be a military person who can provide operational input to program decisions.

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## **Proposals for Considering Military and Civilian Personnel for Certain Critical Positions Are Not Being Implemented**

Despite the concerns within DOD regarding the act's implementation, some DOD and service acquisition officials believe that opening up a limited number of critical positions to both military and civilian personnel is feasible and have drafted procedures and begun testing such an approach.

DOD and service acquisition officials stated that there is already an informal consideration of civilians for military-designated program and deputy program manager positions of major and significant non-major programs—acquisition categories 1 and 2—and program executive officers. According to these officials, a determination is usually made before filling such positions as to whether the slot should remain as is—either military or civilian—or be changed. In making the determination, some consideration is normally given to who may be the best qualified person for the assignment, either military or civilian. The acquisition officials stated that limiting civilian/military consideration to a relatively small portion of acquisition positions would be much more manageable and acceptable than opening up every position in the work

force—particularly because most of the other positions are already held by civilians.

Navy acquisition officials drafted procedures for considering both military and civilians for a limited number of positions; however, the draft was withdrawn based on the view of some DOD officials that the act does not require such competition. Nevertheless, Navy officials stated that they have implemented, on a test basis, a selection process that considers both civilian and military personnel for program executive officers, deputy program executive officers, and program managers for major and some non-major acquisition programs. This process consists of a panel of both senior civilian and military personnel that evaluates qualified and interested military and civilian candidates for each program manager position if an opening is expected within the next 12 to 18 months. The panel reviews requirements for the position and the qualifications and background of the individuals and then ranks the individuals. The ranking goes to the Service Acquisition Executive, or to whoever is responsible for the position, for review to determine if the position designation needs to be changed and for subsequent selection of the best qualified candidate.

The Air Force is currently developing draft procedures that would allow for the selection of the best qualified military or civilian person for program and deputy program manager positions for acquisition category 1 programs and program manager positions for acquisition category 2 programs. According to the acting Air Force DACM, the process is similar to the process being tested by the Navy. The draft procedures call for the creation of a pool of qualified military and civilian candidates from which at least one civilian and one military candidate would be sent forward to the Service Acquisition Executive for selection.

According to some DOD acquisition officials, opening selected key positions—acquisition category 1 and 2 program and deputy program managers—to both military and civilian personnel could be a manageable alternative to opening all acquisition positions, particularly since the major program management positions are those that have historically been filled by military personnel.

Both Navy and Air Force acquisition officials noted that concerns by their respective service personnel offices and OSD need to be resolved before their proposals can be implemented.

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## Our Observations on Navy and Air Force Proposals

We believe that DOD's practice of using its military-only designation policy to establish all positions currently held by military personnel as military-only positions inappropriately excludes qualified civilians from those positions. We also believe that Navy and Air Force proposals for considering both military and civilians for certain critical acquisition positions—many of which have been designated as military—clearly reduce the concerns that the process will be administratively burdensome and are more consistent with the objectives and requirements of the act.

The proposals also would appear to satisfy any objections and concerns of creating "neutral" positions. Inherent in the proposals is the consideration of whether the position to be filled should remain as designated—either military or civilian. According to Navy officials, the panel that considers both military and civilian personnel for a particular position also concurrently considers the requirements for the position. After considering both position requirements and personnel qualifications, the board determines whether the position should remain as designated or be redesignated, consistent with the selection of the best qualified individual for the position. We believe such an approach would comply with the requirements of DAWIA. However, DOD may need to carefully monitor implementation of the proposals, to ensure compliance with requirements of the act.



# Provisions to Increase Civilians in Critical Positions

Uncertainty exists within DOD regarding the applicability of the act's requirement to substantially increase the proportion of civilians in critical acquisition positions in general and program manager and division head positions for each of fiscal years 1991 through 1996.

## Designation of Military-Only Positions Are Unevenly Applied

Compared with the Army and the Navy, the Air Force has identified a much higher percentage of its acquisition work force positions as military. About 31 percent of the Air Force's 37,539 acquisition positions are designated as military and, accordingly, are filled by military personnel. In contrast, only 7 percent of the Army's 30,000 positions and 10 percent of the Navy's 32,741 positions are designated as military. According to service officials, the Air Force structured itself differently so there are clear career paths that allow military personnel to progress in the acquisition field.

Tables V.1 and V.2 show the civilian/military mix in several categories among the services.

**Table V.1: Total and Critical Acquisition Positions and Percentages Filled by Military Personnel** (as of January 1993)

	Civilian positions	Military positions	Percent	Civilian positions	Military positions	Percent
Army	27,765	2,235	7	5,297	342	14
Marine Corps/ Navy	29,369	3,372	10	3,500	719	17
Air Force	25,958	11,581	31	2,998	2,256	43
DOD other	26,400	854	3	1,546	484	24
<b>Total</b>	<b>109,492</b>	<b>18,042</b>	<b>14</b>	<b>13,341</b>	<b>4,301</b>	<b>24</b>

Note: These figures are subject to change because the military services and DOD agencies are still validating their acquisition positions

**Table V.2: Program Manager and Deputy Program Manager Positions for Major Acquisition Categories and Percentages Filled by Military Personnel (as of January 1993)**

	Acquisition category 1			Acquisition category 2		
	Civilian positions	Military positions	Percent	Civilian positions	Military positions	Percent
<b>Army</b>						
PM <sup>a</sup>	1	43	98	2	18	90
DPM <sup>b</sup>	42	2	5	<sup>c</sup>	<sup>c</sup>	<sup>c</sup>
<b>Marine Corps/Navy</b>						
PM	5	30	86	5	37	88
DPM	30	6	17	35	5	13
<b>Air Force</b>						
PM	4	28	88	3	29	91
DPM	11	17	61	13	9	41

Note. These figures are subject to change because the military services and DOD agencies are still validating their acquisition positions

<sup>a</sup>Program Manager.

<sup>b</sup>Deputy Program Manager

<sup>c</sup>Not available

## DOD Concerns About Provision to Increase Civilians in Critical Positions

DOD and service officials responsible for implementing the act cited a number of concerns regarding the act's provision for substantially increasing the proportion of civilians serving in critical acquisition positions in general, in program manager positions, and in division head positions, for each of fiscal years 1991 through 1996. The officials stated that it is not clear how much is "substantial" or how this standard should be measured.

In addition, Army and Navy officials argue that a substantial increase in the proportion of Army or Navy civilians should be considered differently than a substantial increase in Air Force civilians. These officials believe that the act's provision to increase the proportion of civilians was directed primarily at the Air Force, which has a much lower proportion of civilians. Therefore, Army and Navy officials do not anticipate a large increase in the number of civilians in critical acquisition positions. Air Force officials stated that they are currently examining the military/civilian mix.

Service officials also stated that they will not be able to provide an accurate measure of increases in the proportion of civilians in critical

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**Appendix V**  
**Provisions to Increase Civilians in Critical**  
**Positions**

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acquisition positions for 1991 and 1992 because accurate and reliable 1990 baseline data are not available. The officials stated that they are establishing an accurate and reliable baseline of military and civilian positions for 1992, which could serve to measure increases in the proportion of civilians beginning in 1993.

# Comments From the Department of Defense

Note: GAO comments supplementing those in the report text appear at the end of this appendix



ACQUISITION

## OFFICE OF THE UNDER SECRETARY OF DEFENSE

WASHINGTON, DC 20301-3000

22 MAR 1993

Mr. Paul F. Math  
Director, Research, Development,  
Acquisition, and Procurement Issues,  
National Security and International  
Affairs Division  
U.S. General Accounting Office  
Washington, D.C. 20548

Dear Mr. Math:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report, "ACQUISITION MANAGEMENT: Implementation of the Defense Acquisition Workforce Improvement Act," Dated February 5, 1993 (GAO Code 396761/OSD Case 9302). The DoD has reviewed the draft report and generally agrees with its content.

The Department supports the goals of the Act and has implemented its provisions. The DoD detailed comments on the findings, recommendations and suggestions are enclosed. The Department appreciates the opportunity to review the report in draft form.

Sincerely,

James S. McMichael  
Director, Acquisition  
Education, Training and  
Career Development

Enclosure

GAO DRAFT REPORT-DATED FEBRUARY 5, 1993  
(GAO CODE 396761) OSD CASE 9302

"ACQUISITION MANAGEMENT: IMPLEMENTATION OF THE DEFENSE  
ACQUISITION WORKFORCE IMPROVEMENT ACT"

DEPARTMENT OF DEFENSE COMMENTS

\*\*\*\*\*

FINDINGS

- **FINDING A: Management Structure Established, But Inconsistencies Exist.** The GAO observed that the DoD established an acquisition work force management structure, as required by the Defense Acquisition Workforce Improvement Act (Act). The GAO further observed that the Under Secretary of Defense for Acquisition appointed a Director of Acquisition Education, Training, and Career Development (Director) and provided him four permanent and two temporary staff to assist in performing duties assigned to the Under Secretary under the Act. The GAO explained that Director is the focal point within the DoD for (1) implementing certain provisions of the Act, (2) providing guidance and coordination on acquisition work force issues to the services and Defense agencies, and (3) preparing an annual report on the status of the Defense acquisition work force. The GAO noted that the report for FY 1992 was released January 19, 1993. The GAO noted that the Director stated he has the authority, staff, and top management support needed to fulfill his responsibilities. The GAO also noted the Director stressed that continued top management support is essential to fulfill his responsibilities fully and effectively.

The GAO also observed that each Military Service established the position of Director of Acquisition Career Management to serve as the focal point for implementing the provisions of the Act. The GAO reported that the basic functions of the Service Directors of Acquisition Career Management and their staffs include (1) identifying all acquisition-related positions, (2) establishing an acquisition corps, and (3) issuing guidance to further explain the policies and procedures needed to implement the Defense Acquisition Workforce Improvement Act. The GAO found, however, that the staffing of the Director of Acquisition Career Management position varies significantly among the Military Services. In addition, the GAO pointed out the Act requires that the Director of Acquisition Education, Training, and Career Development also serve as the Director of Acquisition Career Management for the Office of the Secretary of Defense and DoD agencies. The GAO stated that, although it is too early to assess the effectiveness of the management structure, the inconsistencies among the Services in the establishment of their Offices of the Director of Acquisition Career Management raise a number of questions regarding the level of authority required for the position.

END PAGE

Now on pp. 2 and 6-7.

For example, the GAO indicated that some difficulties stem from the central management role the Director of Acquisition Career Management plays in obtaining information required from the acquisition commands and the difficulties of coordinating and resolving differences among commands within the Services. In addition, the GAO expressed concern regarding the impact of the Air Force reliance for the past 2 years on an acting Director of Acquisition Career Management. (p. 2, pp. 10-13/GAO Draft Report)

**DOD RESPONSE:** Concur. The Air Force has had sufficient time to assign a permanent Director. However, attributing implementation problems to not having a permanent Director would be purely speculative.

● **FINDING B: Required Implementing Policies and Regulations Have Been Issued.** The GAO found that the Secretary of Defense, generally within the statutorily specified time frames, issued a series of implementing policies and regulations. The GAO concluded that the policies and regulations address all aspects of the Act and establish overall DoD policy on (1) identification of the work force, development of the acquisition corps, and establishment of critical positions, (2) the effective management of the acquisition work force, (3) the mandatory and desired education, training, and experience standards for each acquisition position, (4) the establishment of a management information system capable of providing standardized data on acquisition positions and the persons filling them, and (5) the establishment of a Defense Acquisition University.

The GAO also found that each Military Service had issued internal guidance on various provisions of the Act. Additionally, the GAO found that the Military Services and the Office of the Secretary of Defense had used internal policy guidance, local command briefings, periodic newsletters, and brochures to educate and disseminate information to the work force. The GAO noted that the Military Services and the DoD agencies plan to publish additional implementing regulations--which currently are in various stages of completion. (pp. 14-15/GAO Draft Report)

Now on p. 8.

**DOD RESPONSE:** Concur.

Now on pp. 9-10.

- **FINDING C: Identification of the Acquisition Work Force Is Essentially Complete.** The GAO found that the DoD had essentially completed the initial effort to identify the acquisition work force. The GAO observed that, as of January 1, 1993, the Military Services and the DoD agencies had identified over 130,000 acquisition positions--of which about 17,600 were identified as critical. The GAO reported that, according to Military Service officials, there will be a continuous process of reviewing positions to determine whether the positions should remain in the acquisition work force. The GAO indicated that, once all the positions have been identified, the individuals filling the positions must be identified and their qualifications reviewed. The GAO observed that, as of January 1, 1993, the Military Services and DoD agencies had identified the majority of the incumbents in the acquisition work force and had begun identifying their training, education, and experience levels and requirements (pp. 17-18/GAO Draft Report)

**DOD RESPONSE:** Concur.

- **FINDING D: Acquisition Corps Is Being Established.** The GAO observed that the Military Services and the DoD agencies are working to establish an acquisition corps by October 1993, as required by the Act. The GAO explained that each acquisition corps will be a group of selected senior civilian employees (GS-13 and above) and Military personnel (O-4 and above) from the acquisition work force. The GAO noted that membership in an acquisition corps is important because, after October 1, 1993, it will be a prerequisite for future appointments to critical acquisition positions. The GAO reported the progress of each Service as follows:

- **Army**--The GAO reported that the Army established the acquisition corps in October 1989, prior to the enactment of Defense Acquisition Workforce Improvement Act. The GAO noted that the Army modified its corps eligibility requirements to ensure compliance with the Defense Acquisition Workforce Improvement Act by extending its membership to civilian employees and Military personnel who meet the Defense Acquisition Workforce Improvement Act requirements. The GAO pointed out that civilian employees currently filling critical acquisition positions can decline corps membership and remain in their position, but they will not be eligible for any other critical position. The GAO stated that corps membership gives the employee priority in attending required acquisition-related training courses. The GAO reported that as of December 30, 1992, 1,483 Military personnel and 1,780 civilians were in the Army acquisition corps.
- **Navy**--The GAO reported that the Navy issued interim policies and procedures for developing the corps and has begun identifying eligible personnel and soliciting membership.
- **Air Force**--The GAO reported that the Air Force approved a plan establishing the acquisition corps requirements on October 15, 1992.

Now on pp. 2 and 10-11.

The GAO noted that incumbents assigned to critical acquisition positions prior to October 1, 1992, can remain in their position. The GAO found, however, that if someone assigned to a critical position from October 1, 1992 to October 1, 1993, declines membership in the corps, that individual will not be allowed to remain in the position. In addition, the GAO reported that the Office of the Secretary of Defense is developing guidance for establishing an acquisition corps for DoD agencies. (p. 3, pp. 18-20/GAO Draft Report)

**DOD RESPONSE:** Concur. The acquisition work force regulation pertaining to the Office of the Secretary of Defense and the Defense Agencies was issued on January 19, 1993.

- **FINDING E: Some Difficulties Exist in Establishing Management Information System.** The GAO stated that the DoD has experienced some difficulties and delays in developing the management information system required by the Act. The GAO reported that DoD officials advised that the management information system can function effectively. The GAO acknowledged that a test run of the system in July 1992 indicated that it would function properly. The GAO indicated, however, that some questions remain as to whether the system will function properly when all the data has been entered. The GAO noted that not all of the required personnel data has been submitted by the Military Services and the DoD agencies. In addition, the GAO found that some of the data is not automated and must be gathered manually, which is time-consuming.

The GAO learned that the management information system was intended to collect and present data for use in preparing the annual report, which is required by the Act for each fiscal year from 1991 to 1998. The GAO reported, however, that according to DoD officials, the management information system was not used to prepare the annual report submitted on January 19, 1993. Instead, the GAO found that component records were used to provide the data for the report. The GAO indicated the Military Service and DoD agency officials estimate that the system will be substantially completed during FY 1994. (pp. 20-21/GAO Draft Report )

Now on p. 11.

**DOD RESPONSE:** Concur.

- **FINDING F: Training and Education Needs Are Not Yet Fully Determined.** The GAO found that the DoD has established qualification standards and has created a Defense Acquisition University to provide much of the needed education and training. The GAO noted, however, that the determination of the exact nature and extent of training and education can not be made until specific qualification requirements for each member of the acquisition work force have been identified. The GAO noted that the DoD has established training and education requirements for various acquisition-related areas identified in the Act. The GAO pointed out, however, that to attain a certification, employees must meet certain education, training, and experience requirements at each level. The GAO reported that existing laws and regulations prevent the DoD from



requiring personnel to meet the requirements as a condition of employment. The GAO noted, however, that the DoD plans to use the certification requirements as a quality ranking factor in selecting individuals for acquisition positions. The GAO pointed out that if an organization selects someone who fails to meet the requirements, it has a certain period in which to ensure that the individual attains certification or to waive the requirements. (pp. 23-24/GAO Draft Report)

**DOD RESPONSE:** Concur.

- **FINDING G: Defense Acquisition University Established.** The GAO observed that the Defense Acquisition University, a consortium of 16 existing Army, Navy, Air Force, and DoD schools, was officially in place August 1, 1992. The GAO reported that through this consortium, the schools remain separate and distinct institutions, but the mandatory courses are managed centrally through the university.

The GAO noted, however, that there are concerns among DoD officials that a training backlog will develop within the consortium for certain required acquisition courses. For example, the GAO reported DoD officials indicated that there is a large backlog for the 20-week program management course, which is offered only twice a year--and only at one location. The GAO pointed out that the Act does allow the program management course requirement to be fulfilled by comparable courses.

The GAO noted that additional instructors are also being certified so that courses can be taught in-house, and satellite video link-ups from the schools to several locations have been established. The GAO concluded that the extent of the training backlog cannot be determined until the Services know the extent of training that will be required. The GAO further concluded that it is too early to assess the Defense Acquisition University consortium arrangement. The GAO pointed out that individual Service support functions are currently the subject of a Defense Management Review initiative to consolidate such functions to minimize overlap and duplication among the Services. (pp. 24-26/GAO Draft Report)

**DOD RESPONSE:** Concur.

- **FINDING H: Other Training and Education Programs.** The GAO reported that most of the other training and education programs required under the Act are under way. The GAO found that the only item still pending is the student loan repayment program, which has not been addressed. The GAO reported that, according to DoD officials, they are awaiting regulatory guidance from the Office of Personnel Management and Office of Management and Budget before proceeding with the program. (p. 26/GAO Draft Report)

**DOD RESPONSE:** Concur.

Now on pp. 12-13.

Now on pp. 13-14.

Now on p. 14.

● **FINDING I: Current Selection Process Does Not Achieve Objectives.** The GAO observed that the Defense Acquisition Workforce Improvement Act requires the Secretary of Defense to ensure that no requirement or preference for a Member of the Armed Forces is used in considering candidates for acquisition positions. The GAO also observed, however, that the Act allows the Secretary to establish a policy permitting particular acquisition positions to be specified as Military-only--if a determination is made that Military personnel are (1) required by law, (2) essential for the performance of the duties of the position, or (3) necessary for other compelling reasons. The GAO noted the Act requires that policies be established to provide for the selection of the best qualified individual for a position, consistent with other applicable law.

The GAO expressed strong concern regarding the plans of the Military Services to retain Military-only position designations on almost all positions currently filled by Military personnel. The GAO concluded that, under a policy established pursuant to the statutory discretion of the Secretary, the Services are designating the overwhelming majority of the positions as Military-only. The GAO pointed out that, according to Military Service and DoD personnel officials, designating such positions as Military-only precluded the consideration of civilians for the positions.

The GAO found that, although the Military designated positions account for only about 14 percent of the total acquisition work force of over 130,000 personnel, the positions account for a much larger percentage of the critical acquisition positions. For example, the GAO stated that approximately 90 percent of the program manager positions for acquisition category 1 and 2 programs--which are the largest weapons programs--are filled by Military personnel. The GAO did note, however, that most of the deputy program manager positions are filled by civilians. The GAO concluded that the DoD designation of Military-filled positions as Military-only positions--without an independent review of the positions under the appropriate statutory criteria-- could constitute an abuse of statutory authority to designate particular positions as Military-only.

The GAO reported that the House Committee on Armed Services, in its report accompanying the FY 1993 Defense authorization bill, stated that the DoD policy of Military-only designations was in conflict with the Defense Acquisition Workforce Improvement Act mandate that the best qualified individual--either Military or civilian--be selected for a given position. The GAO noted that the Committee also stated that the DoD had not made a case for changing the statutory requirement and that the Committee expected the DoD to bring its policy in line with the statutory intent. (p. 3, pp. 27-29/GAO Draft Report)

**DOD RESPONSE:** Non-concur. The Department has carefully considered both the Act and its legislative history concerning these matters. It is the opinion of the DoD General Counsel that the statute does not require that Military and civilian personnel compete for the same acquisition position. Section 2101, 5 United States Code establishes positions in the "civil service" or the "uniformed service." The Department objects to any approach that would create a third category of positions that can be

Now on pp. 2-3 and  
15-16.  
See comment 1.

either Military or civilian. The term "Military-only" has no meaning, since positions are designated either one or the other.

In the course of identifying acquisition positions over the last two years, the Military Departments have reviewed requirements for Military positions. Further review of Military acquisition positions will occur annually under the provisions of the reporting requirement of Section 1722(b)(2)(B) of the statute.

● **FINDING J: Other DoD Concerns Regarding Implementation of the Act.** The GAO reported that the DoD and Military Service officials responsible for implementing the Act cited a number of other concerns and also questioned the underlying intent of the Act provisions. The GAO explained the DoD is concerned that:

- opening up all acquisition positions to both Military personnel and civilians would eventually lead to an all-civilian work force;
- the administrative burden of opening up the 130,000-plus acquisition work force positions to both Military personnel and civilians would be overwhelming; and
- the overall intent of the Act's provisions is unclear--(1) increase the number of civilians in senior acquisition positions, or (2) encourage competition, or (3) eliminate Military personnel from the acquisition work force.

The GAO observed officials from the Office of the Assistant Secretary of Defense (Force Management and Personnel) have taken the position that the Act does not intend for, or require that, civilians be considered for positions designated for Military personnel, or vice versa. The GAO stated that the Office of the Assistant Secretary of Defense (Force Management and Personnel) objects to any notion or plan to consider qualifications of individuals--Military and civilian--before designating a position as either Military or civilian. The GAO reported Force Management and Personnel officials noted that, although DoD Directive 5000.58 requires each Military Service Secretary and DoD component head to submit a justification annually for reserving each Military-only position, the justifications have not been reviewed. The GAO further reported that some Military Service and DoD acquisition officials do not support a Force Management and Personnel review of Military position justifications. The GAO observed Military Service acquisition officials acknowledge that the justifications for the positions are somewhat subjective in nature. The GAO concluded that the Force Management and Personnel review, depending on how the criteria are applied or interpreted, could result in many, if not all, of the positions being reclassified as civilian.

The GAO indicated that the DoD and Service acquisition officials strongly contend that, in general, Military operational experience is needed in the acquisition work force--and that such experience is valuable in making program management decisions

Now on pp. 3 and 16-18.

The GAO concluded, however, that it still may be difficult to justify individual positions as Military-essential. (p. 3, pp. 30-33/GAO Draft Report)

**DOD RESPONSE:** Concur. It should be noted that the annual justification of Military positions is not required to be reported, by statute, until the end of Fiscal Year 1993.

● **FINDING K: Proposals for Considering Military and Civilian Personnel for Certain Critical Positions Are Not Being Implemented.** The GAO found that, despite the concerns within the DoD regarding the implementation of the Act, some DoD and Military Service acquisition officials support opening up a limited number of critical positions to both Military and civilian personnel--and have drafted procedures and begun testing such an approach. The GAO reported that the DoD and Military Service acquisition officials claimed there is already an informal consideration of civilians for Military-designated program and deputy program manager positions of major programs--i.e., acquisition categories 1 and 2--and program executive officers.

The GAO found that Navy acquisition officials drafted procedures for considering both Military and civilians for a limited number of positions; however, the draft proposal was withdrawn based on the view of some DoD officials that the Act does not require such competition. The GAO did find that, nevertheless, on a test basis, a program manager selection process has been implemented--considering both civilian and Military personnel for program executive officers, deputy program executive officers, program managers, and deputy program managers for acquisition category 1 and 2 programs.

The GAO further found the Air Force is currently developing a draft policy that would allow for the selection of the best qualified Military or civilian person for program and deputy program manager positions for acquisition category 1 programs and program manager positions for acquisition category 2 programs. The GAO reported that the Air Force Director of Acquisition Career Management indicated the Air Force process is similar to the process being tested by the Navy.

The GAO observed some DoD acquisition officials advised that opening selected key positions--i.e., acquisition category 1 and 2 program and deputy program managers--to both Military and civilian personnel could be a manageable alternative to opening all acquisition positions, particularly since the major program management positions are those that have historically been filled by Military personnel. The GAO reported, however, that both Navy and Air Force acquisition officials noted concerns by the respective Military Service personnel offices and the Office of the Secretary of Defense need to be resolved before the proposals can be implemented. (pp. 3-4, pp. 34-36/GAO Draft Report)

**DOD RESPONSE:** Partially concur. The Department cannot create a separate personnel system solely for the management of acquisition positions. At this time, there are no formal proposals within the Military Departments that consider competing civilian and Military personnel for the same positions. Any future proposals that would entail competition of Military and civilians for a particular position would be in conflict with

Now on pp. 3 and 18-19.  
See comment 2.

Section 2101, 5 United States Code. Any proposals to consider the qualifications of possible candidates prior to classifying the position as Military or civilian, would be in conflict with current DoD policy. The provisions of DoD Instruction 1100.9 adequately address this issue and provide the Military Departments with sufficient flexibility to properly staff critical positions.

- **FINDING L: Evaluation of Navy and Air Force Proposals.** The GAO concluded that the DoD practice of establishing all positions currently held by Military personnel as Military-only positions excludes qualified civilians from the positions. The GAO pointed out that the Navy and Air Force proposals for considering both Military and civilians for certain critical acquisition positions reduce the concerns that the process will be administratively burdensome and are more consistent with the objectives and requirements of the Act. The GAO observed that the proposals also appear to satisfy any objections and concerns of creating "neutral" positions. The GAO noted that inherent in the proposals is the consideration of whether the position to be filled should remain as designated—either Military or civilian. The GAO concluded that such an approach is in compliance with existing personnel law and consistent with the intent of Defense Acquisition Workforce Improvement Act. The GAO, further concluded, however, that the DoD needs to take extra precautions to ensure that the proposals, which are limited to certain critical positions, would satisfy the requirements of the Act. (pp. 3-4, pp. 36-37/GAO Draft Report)

**DoD RESPONSE:** Partially concur. DoD policy is to designate positions as either Military or civilian based on the requirements of the position. The DoD cannot determine whether the referenced proposals would comply with existing personnel law and DoD policy until they are approved at the Service level and submitted for review. At this time, there are no formal proposals within the Military Departments.

- **FINDING M: Designation of Military-Only Positions Are Unevenly Applied.** The GAO stated that, compared with the Army and the Navy, the Air Force has identified a much higher percentage of the acquisition work force positions as Military. The GAO reported that about 30 percent of the Air Force 37,539 acquisition positions are designated as Military--and, accordingly, are filled by Military personnel. In contrast, the GAO found only 7 percent of the 30,000 positions in the Army and 10 percent of the 32,741 positions in the Navy are designated as Military. The GAO indicated that, according to DoD and Military Service officials, the Air Force structured itself differently so there is greater Military participation in acquisition. (pp. 38-41/GAO Draft Report)

**DoD RESPONSE:** Concur. Mission and organizational differences among the Military Departments must be considered, however, in assessing the force composition.

- **FINDING N: DoD Concerns About Provision to Increase Civilians in Critical Positions.** The GAO reported that DoD and Military Service officials responsible for implementing

Now on pp. 3 and 20.  
See comment 3.

Now on pp. 21-22

the Act had a number of concerns regarding the provisions of the Act for substantially increasing the proportion of civilians serving in critical acquisition positions--such as general manager, program manager, and division head positions. In addition, the GAO observed Army and Navy officials argue that a substantial increase in the proportion of Army or Navy civilians should be considered differently than a substantial increase in Air Force civilians. The GAO reported those officials indicated that the provision to increase the proportion of civilians was directed primarily at the Air Force, which has a much lower proportion of civilians. The GAO indicated, therefore, that Army and Navy officials do not anticipate a large increase in the number of civilians in critical acquisition positions. The GAO did point out that Air Force officials currently are examining the Military/civilian mix.

The GAO reported that, according to Military Service officials, an accurate measure of increases in the proportion of civilians in critical acquisition positions for 1991 and 1992 will not be available, as required by the Act, because accurate and reliable 1990 baseline data are not available. The GAO noted, however, an accurate and reliable baseline of Military and civilian positions is being established for 1992. The GAO concluded that the baseline could serve to measure increases in the proportion of civilians beginning in 1993. (p. 4, pp. 42-43/GAO Draft Report)

**DOD RESPONSE:** Concur.

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#### RECOMMENDATIONS

- **RECOMMENDATION 1:** The GAO recommended that the Secretary of Defense ensure that the Services are consistent in providing the management positions required by the Defense Acquisition Workforce Improvement Act sufficient authority to carry out the provisions of the Act effectively and efficiently. (p. 5/GAO Draft Report)

**DOD RESPONSE:** Concur. A directive policy memorandum will be issued by the Under Secretary of Defense for Acquisition to the Military Departments on this subject before the end of Fiscal Year 1993.

- **RECOMMENDATION 2:** The GAO recommended that the Secretary of Defense (a) assess Navy and Air Force proposals for selecting the best qualified individual for an acquisition position and (b) ensure that no preference for Military personnel is used in considering candidates and, (c) based on the assessment, develop an overall DoD-wide proposal that satisfies the objectives and requirements of the Act. (pp. 5-6/GAO Draft Report)

**DOD RESPONSE:** Partially concur. Component proposals will be evaluated by the Office of the Under Secretary of Defense for Acquisition when submitted. At this

Now on pp. 3 and 23.

Now on p. 3.

Now on p. 4.  
See comment 4.

time, there are no formal proposals within the components for considering Military and civilian personnel for the same positions. The concept of "Military essential" is valid, as mandated in Section 1722 of the statute. Additionally, current DoD policies are not in conflict with the Defense Acquisition Workforce Improvement Act.

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#### MATTERS FOR CONGRESSIONAL CONSIDERATION

- **SUGGESTION 1:** The GAO suggested that the Congress limit the Defense Acquisition Workforce Improvement Act requirement that both Military personnel and civilians be considered in filling acquisition positions. (pp. 4-5/GAO Draft Report)

**DOD RESPONSE:** A separate personnel management system for the entire acquisition work force would be administratively burdensome. The GAO suggestions for defining the scope of this issue warrant further consideration by the Congress. This suggestion is related to GAO Recommendation 2.

- **SUGGESTION 2:** The GAO suggested that the Congress clarify (1) the Defense Acquisition Workforce Improvement Act requirement to "substantially" increase the proportion of civilians in critical acquisition positions and (2) whether the requirement applies to each Military Service individually--or to the DoD as a whole. (p. 5/GAO Draft Report)

**DOD RESPONSE:** These suggestions merit further consideration by the Congress. The Department views this requirement as applicable to the DoD as a whole. The Department further solicits the consideration of the Congress on all concerns cited in appendix IV of the GAO draft report report under the section titled, "OTHER DOD CONCERNS REGARDING IMPLEMENTATION OF THE ACT."

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The following are GAO's comments on the Department of Defense's letter dated March 22, 1993.

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## GAO Comments

1. In its response, DOD states that its nonconcurrence is based, in part, on a DOD General Counsel conclusion that DAWIA does not require military and civilian personnel to compete for the same acquisition positions. This response does not fully reflect the General Counsel's position. In a memorandum dated October 16, 1992, which is the basis for DOD's response, DOD's Deputy General Counsel (Personnel and Health Policy) observed that DAWIA permits DOD to reserve positions for military personnel under specified circumstances and therefore concluded that "DAWIA does not require that military and civilian personnel compete equally (against each other) for each and every position." We agree with the Deputy General Counsel's position that the act does not require competition for each and every position, and believe it implies that there can be competition for some positions.

DOD also bases its nonconcurrence on 5 U.S.C. 2101, which defines the terms "civil service" and "uniformed services" and argues that there is no third category of positions that can be either civilian or military. We did not intend to suggest that there may be a third category of positions; however, we find nothing in 5 U.S.C. 2101 that would preclude military and civilian personnel from competing for acquisition positions on an equal basis, as envisioned by DAWIA.

DOD noted that the term "military-only" has no meaning, since positions are designated either military or civilian. We used that term only as a way to clearly describe the situation in which uniformed personnel filling certain positions are retained in those positions under DOD's current policy. The term is not intended to have any significance beyond that context.

2. We recognize that it may not be practical to create a separate personnel system solely for the management of acquisition positions and we did not suggest this in our report. In our view, such a system is not necessary to implement DAWIA since military or civilian personnel filling acquisition positions continue to be governed by existing personnel systems. In addition, as we said above, we find nothing in 5 U.S.C. 2101 that would preclude considering both military and civilian personnel for acquisition positions.



3. We were briefed on an Air Force draft proposal that is being circulated for comment and were briefed at the flag officer level on the implementation test of the Navy proposal. We believe that there is sufficient information available for DOD to review these proposals and use them as a basis to help the services finalize a procedure that would meet the intent of DAWIA to fill positions with the best qualified individuals.

4. We have revised the recommendation that is reflected in DOD's comments. Rather than suggest a DOD-wide procedure, we are recommending that the services be allowed to develop their own procedures. DOD would still be responsible for approving each procedure and ensuring compliance with applicable laws and policies. We have discussed this with DOD officials and they agreed with the change.

As stated in our response to DOD's earlier comment, we believe there is sufficient information available for DOD to review the Navy and Air Force proposals and use them as a basis to help the services finalize a procedure that would meet the intent of DAWIA.

While DOD states that its current policies are not in conflict with DAWIA, we continue to believe that DOD may not be fully addressing the intent of the law.

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# Major Contributors to This Report

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**National Security and  
International Affairs  
Division, Washington,  
D.C.**

James F. Wiggins, Assistant Director  
Ann Borseth, Senior Evaluator

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**Cincinnati Regional  
Office**

Rae Ann Sapp, Issue Area Manager  
Myra A. Watts, Evaluator-in-Charge  
Norbert Trapp, Senior Evaluator  
Jeanne Willke, Evaluator

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